

# Company Profile



## Kazakhstan Electricity Grid Operating Company (KEGOC) was established in accordance with Decree No.1188 of the Government of Kazakhstan

Kazakhstan Electricity Grid Operating Company (KEGOC) was established in accordance with Decree No.1188 of the Government of Kazakhstan dated 28 September 1996 “On some measures to restructure power system management in Kazakhstan”, and is the company managing the National Power Grid of the Republic of Kazakhstan and has the status of the System Operator of the Unified Power System of the Republic of Kazakhstan. The date of initial registration of KEGOC is 11 July 1997.

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Until 2006, 100% of KEGOC shares had been owned by the government. In 2006, state share (100%) was transferred to Samruk JSC (the Kazakhstan holding company for management of public assets) as a payment

for the placed shares. In 2008, the joint-stock companies: Kazyna Sustainable Development Fund and Samruk State Asset Management Holding of Kazakhstan were merged to form Sovereign Wealth Fund Samruk-Kazyna JSC (Samruk-Kazyna JSC or the Fund), the successor of Kazakhstan Holding for Management of State Assets Samruk JSC.

On 18 December 2014 as part of the Programme for public offering of Samruk-Kazyna’s shares of affiliates and subsidiaries on the stock market, KEGOC placed 25,999,999 authorized ordinary shares on the Kazakhstan Stock Exchange through subscription.

Address: 59 Tauyelsizdik ave, Z00T2D0, Almaty district, city of Nur-Sultan.

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DATE OF  
INITIAL  
REGISTRATION  
OF KEGOC JSC

1997

In accordance with the legislation of the Republic of Kazakhstan in the electricity sector, KEGOC carries out the following main activities:

- electricity transmission in the national power grid;
- technical dispatching of the electricity supply and consumption in the grid;

- management of electricity production and consumption balancing.

The above-mentioned services in Kazakhstan are considered by the regulations as the natural monopoly services, which is why KEGOC's operations are regulated by the law of the Republic of Kazakhstan "On natural monopolies".

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## Mission and Values

### MISSION

Reliable operation and effective development of Kazakhstan Unified Power System (UPS) in accordance with the state-of-the-art technical, economic and environmental challenges and occupational health-and-safety requirements.

### VISION

**We are a leading Company having reliability and performance indicators consistent with the level of the best world companies.**

Our aim is to continuously increase the value for all stakeholders through development of the National Power Grid using advanced technologies, providing conditions for utilisation of transit and export potential and fostering corporate social responsibility.



L

JUSTICE  
AND HONESTY

## VALUES

We hear the opinion of everyone and discuss complex issues openly to make a decision  
We fulfil our obligations and keep our word  
We act ethically

I

CHALLENGE AND  
DEVELOPMENT

We are looking for new ways to improve efficiency and support initiatives  
We constantly improve and develop ourselves using the best practices as a reference  
We overcome any difficulties and achieve our goals

GH

UNITY AND  
RESPONSIBILITIES

We do not allow damage to the company, society and the environment  
We personally take responsibility and make decisions  
We help and trust each other, share experience and knowledge

T

TRADITIONS  
AND RESPECT

We put the interests of the company before the personal ones and do not allow conflicts of interest  
We respect people and value everything that has been achieved in the company  
We share and follow company standards, rules and values



## Ownership Structure

As on 31 December 2020, the number of authorised and placed ordinary shares of the Company was 260,000,000, of which 234,000,001 shares (90% plus one share) belong to Samruk-Kazyna, the

major shareholder, and 25,998,609 shares (9.9995%) belong to minority shareholders, the remaining 1,390 shares (0.0006%) were repurchased by KEGOC.

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## Partnership

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**KEGOC is a member and participant in important industry and other organisations and associations, including:**

[www.kea.kz](http://www.kea.kz)

### **Kazakhstan Electricity Association,**

which supports all organizations that are directly or otherwise related to power industry; participates in designing the state programmes, laws and regulatory acts in power industry; supports its members in relations with the Government, judicial and other authorities.

[www.kazenergy.com](http://www.kazenergy.com)

### **KazEnergy Kazakhstan association of oil, gas and energy sector organizations (KazEnergy),**

which supports its members in their relations with the state bodies; harmonizes the regulatory framework; creates an single information network for subsoil users, power generation companies, transporters and consumers of goods and services of the energy sector; develops and supports industry-specific cooperation and entrepreneurship projects at local, regional and international level; creates a positive image of the Association, its members and the industry as a whole at the regional and global level; stimulates economic, social, environmental, and scientific-technical activity of the Kazakhstan community.

### Kazakhstan Electric Capacity Reserve Pool,

the main purpose of which is to mobilize the necessary amount of reserves with the structure and location that would ensure uninterrupted power supply during unforeseen failures of power equipment to the participants of the pool and / or interregional and regional power transmission lines, in accordance with the rules of the pool;

[www.ark.org.kz](http://www.ark.org.kz)

### Association of Competition Development and Commodity Markets,

a non-profit voluntary association that coordinates entrepreneurial activity and represents and protect the interests of its members in their relations with the state bodies, government agencies, international and public organizations on the matters of competition development and commodity markets. Accession to this organization will enable the Company to initiate and promote necessary changes in antimonopoly legislation. As a member of the association the Company will be able to develop and participate in development of draft regulatory legal acts, establish international non-governmental contacts to exchange the experience, hold workshops, conferences, roundtables and other activities, support the development of competition and entrepreneurship, and prevention of antimonopoly legislation violations.

# 260

MILLION SHARES  
AUTHORISED AND PLACED  
AS ON 31 DEC. 2020

In addition, to establish efficient electricity market relations with the neighbouring countries and develop international cooperation, KEGOC joined such international sectoral organizations as:

- CIS Electric Power Council;
- International Council on Large Electric Systems (Conseil International des Grands Réseaux Électriques – CIGRE);
- Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Russia, Kyrgyz Republic);
- World Energy Council
- EURELECTRIC;
- Executive Assembly to the World Energy Council (WEC);
- United Nations Economic Commission for Europe;
- Central Asia Coordination Electric Power Council.

## Business Model

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### MISSION

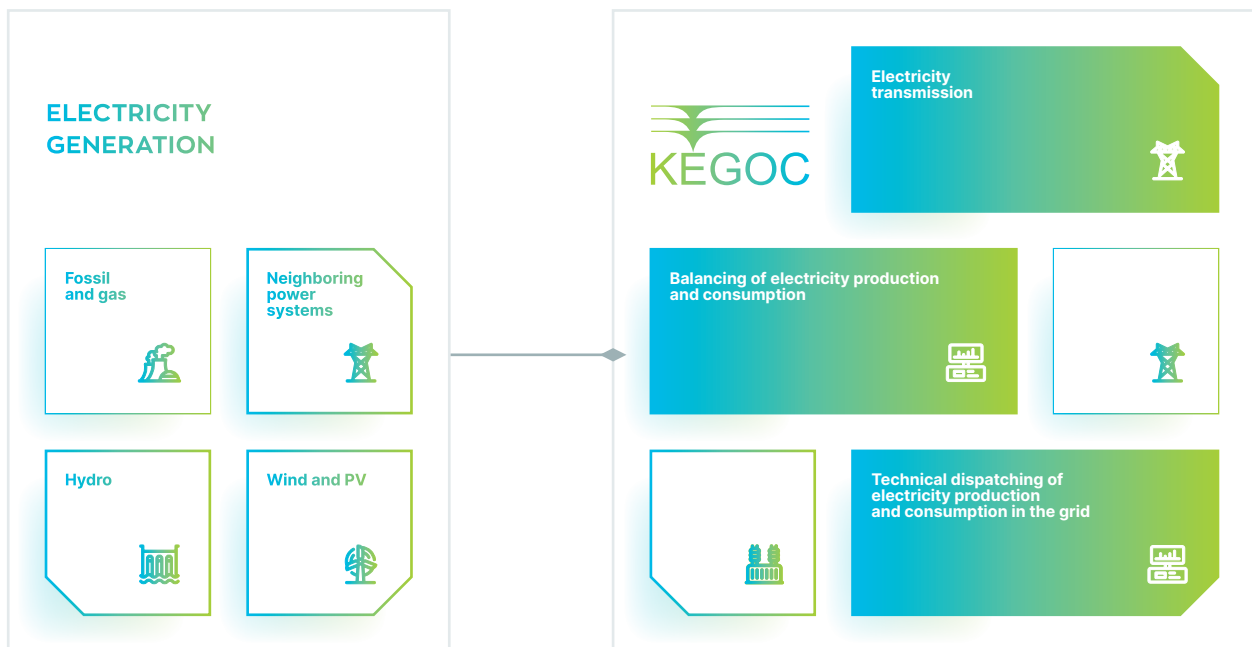
Reliable operation and effective development of Kazakhstan unified power system (UPS) in accordance with the state-of-the-art technical, economic and environmental challenges and occupational health-and-safety requirements.

### VISION

We are a leading Company with reliability and efficiency performance at the level of the best world peers.

Our aim is to continuously increase the value for

all stakeholders through development of the National Power Grid using advanced technologies, providing conditions for utilisation of transit and export potential and fostering corporate social responsibility.



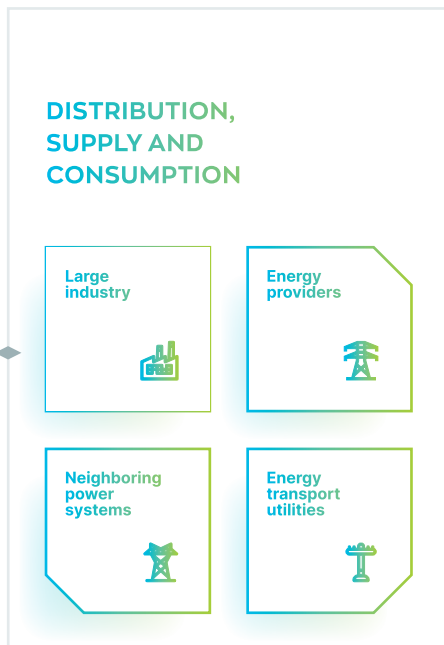
### VALUES

- Justice and honesty
- Challenge and development
- Unity and responsibilities
- Traditions and respect

### OUR BUSINESS

Electricity transmission	46.16 billion kWh
Technical dispatching of electricity supply to the grid	98.99 billion kWh
Balancing of production and consumption of electricity	192.86 billion kWh

Implementation of infrastructure projects



### OUR PERFORMANCE

Net profit	KZT 53.4 billion
Dividends paid per share	KZT 48.86 for 2019
	KZT 77.09 for the 1st half of 2020
Share price as on 31 December 2020	KZT 1,687.81
Reliability	WWP 98.63%, SML 5.21 minutes
Social stability rating	91%
Occupational accidents	0

### OUR ASSETS

- 81 substations with the installed transformer capacity of 38,746.05 MVA
- 9 MES branches and the NDC SO

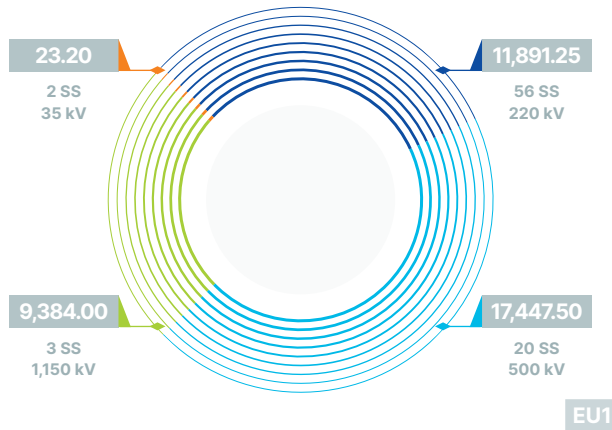
- 26 997.923 km of overhead transmission lines
- 4731 employees
- Modern technologies





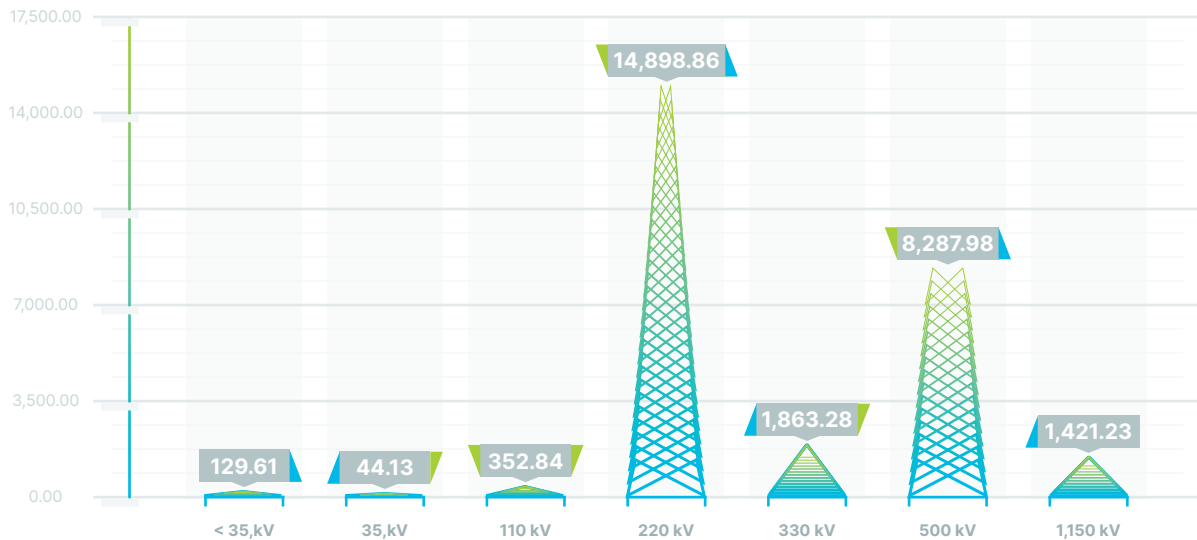
## Capacities

Capacity and number of KEGOC substations as of 31 Dec. 2020, MVA



The main asset of the Company is the National Power Grid (NPG), which at the end of 2020 consists of 377 overhead transmission lines (OHTL) of 0.4-1150 kV with a total length of 26,997.923 km (circuits) and 81 electrical substations (SS) of 35-1150 kV with an installed transformer capacity of 38,746.05 MVA. They ensure the cross-border electric power flows, transmit electric power from power plants and connect the regional power companies with major consumers.

Length of KEGOC OHTLs as on 31 Dec. 2020, km



## Company Structure

KEGOC operations cover the entire territory of the Republic of Kazakhstan. The structure of the Company includes 9 intersystem electric networks branches (MES branches) and the National Dispatch Centre of the System Operator (NDC SO) also as a branch.

KEGOC is the parent company of Energoinform JSC and Financial Settlement Centre for Renewable Energy Sources Support LLP (FSC RES LLP).

Energoinform JSC provides maintenance of NPG equipment and telecommunication services for the Company's operations.

FSC RES LLP was established in 2013 to encourage investments in renewable energy sector and increase the share of renewable energy in the Kazakhstan energy mix through

government-guaranteed and centralized electricity purchase from all renewable energy facilities (who have chosen such support scheme) in accordance with the fixed rates.

FSC RES LLP was assigned by the Minister of Energy of the Republic of Kazakhstan (order No. 357 dated 7 September 2018) the single buyer of centralized procurement of services service of maintaining the readiness of electric capacity and centralized provider of services of ensuring readiness of electricity capacity to bear the power load.

KEGOC is also a co-founder (20%) of Batys Transit JSC established in 2005 to implement the project for the construction of inter-regional power transmission line linking the North Kazakhstan with Aktobe oblast.


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## Place of Operations




**Akmolinskiye MES**


 OHTL  
4,230.431 km

 10 SS  
8,136.6 MVA

• Nur-Sultan


**Severnyye MES**


 OHTL  
3,680.614 km

 8 SS  
3,770.6 MVA

Ekibastuz


**Vostochnye MES**


 OHTL  
1,923.39 km

 7 SS  
4,362.5 MVA

• Oskemen


**Tsentralnye MES**


 OHTL  
3,496.69 km

 10 SS  
3,741.6 MVA

• Karagandy


**Almatinskiye MES**


 OHTL  
4,225.143 km

 12 SS  
4,897.35 MVA

• Almaty

**Yuzhnyye MES**

 OHTL  
4,262.603 km

 13 SS  
3,392 MVA

• Shymkent